

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 4, 1996

SUBJECT: **HB 2390 - SB 2549**

This bill, if enacted, will exempt all purchases made by military personnel on active duty or in the active military service of the United States from the sales and use tax.

The fiscal impact from enactment of this bill is estimated to be a decrease in state sales tax revenues of \$2,678,000 and a decrease in local government sales tax revenues of \$1,004,000. This estimate assumes:

1. Active duty military personnel in Tennessee of 7,300.
2. Average taxable purchases per individual per year of \$6,115.

The estimate does not include those active duty personnel who are stationed in other places but make purchases in Tennessee.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director